Effect of globalization on agriculture sector

*98. SHRI PENUMALLI MADHU: Will the Minister of AGRICULTURE be pleased to state:

(a) whether globalization has adversely affected our agricultural sector;

(b) if so, what are the remedial measures that could protect the farming community; and

(c) the reason for reducing the subsidies to agriculture sector by Government?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) to (c) Agriculture imports constitute less than 4% of the agricultural GDP in India. India also has a surplus of exports over imports in agriculture trade as is evident from the following table:—

(Rs. in crores)

Year	Import	Export	Surplus
2000-01	12086	28657	16571
2001-02	16256	29728	13472
2002-03	17608	34653	17045
2003-04	21792	37266	15294
2004-05	22057	39863	17806

Hence, it is difficult to conclude that globalization has adversely affected the agriculture sector in general.

Government's response to globalization in the agriculture sector has been two fold. On the one hand, tariffs have been appropriately adjusted to protect farmers from import surges. On the other, steps have been taken to increase the competitiveness of Indian agriculture, so that our exports can increase and farmers can get remunerative prices. Towards this end, the Government has introduced a number of initiatives and interventions for enhancement of production and productivity of agricultural products, which *inter alia,* include Integrated scheme of Oilseeds, Pulses, palm Oil and Maize (ISOPOM), National Horticulture Mission and Integrated Cereal Development Programmes. Schemes such as the Transport Assistance Scheme and Vishesh Krishi Upaj Yojana are

implemented to ensure that the farmers get remunerative prices for their exports as well as increased access to the international market.

There is no proposal for reduction in the subsidies to the agriculture sector.

Announcements regarding import of wheat

*99. SHRI MOINUL HASSAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether he had made announcements about import of wheat in February and March, 2006 when the wheat crop was still standing on the ground and the procurement process was starting in March;

(b) if so, whether Government are aware that this has created a false sense of scarcity, which fuelled excess purchase by private traders and encouraged big farmers to hoard the wheat produced; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) to (c) The stock of wheat in the Central Pool as on 1st January, 2006 was 61.88 lakh tonnes as against the buffer norm of 82 lakh tonnes as on 1st January. Keeping in view this deficit of about 20 lakh tonnes in the stock of wheat against the buffer norm as well as high open market prices, a decision was taken in February, 2006 to import 5 lakh tonnes of wheat through STC.

The step of the Government to go in for imports of wheat was not against the interest of farmers and consumers since this wheat was imported for the Southern States only and not for wheat procuring States. Hence, it did not harm the interests of the farmers since it had no impact on the procurement prices which remained high in the wheat producing States. This decision has helped the consumers in southern States since this import has served to stabilize prices in southern States.

This decision did not create a false sense of scarcity which is shown by the fact that wholesale prices of wheat in many major consuming centres such as Delhi, Kanpur, Karnal, Indore, Nagpur and Rajkot reduced by Rs. 50-175 per quintal. The more active private participation in the purchase of wheat this year has been mainly due to trade assumptions on demand-supply imbalance.